

MISSISSIPPI GAMING COMMISSION

CHARITABLE GAMING REGULATIONS



2012 Edition

Charitable Bingo Regulations

A. DEFINITIONS

Section 1. The terms defined in the Mississippi Gaming Control Act have the same meaning in these regulations as they have in that Act, unless the context otherwise requires.

Section 2. As used in these regulations, the following terms have the following definitions, unless the context requires otherwise.

(a) "Act" means the Charitable Bingo Law.

(b) "Adjusted Gross Receipts" means all revenue remaining from bingo operations after payment of prizes and payment of fees required by the Commission.

(c) "Alternate Supervisor" means the person who is designated to supervise all activities, and be responsible for the conduct of all games of a particular session in the absence of the bingo supervisor.

(d) "Applicant" means the organization, its members, officers, agents, or employees who have applied for any license from the Commission.

(e) "Automatic marking" means that numbers are marked on electronic card faces without a need for interaction by the participant. The only input required by the automatic marking functionality is by means of the calling system. The patron loads cards by input of the receipt number and/or the control number (a number identifying the cards sold to that player).

(f) "Bingo" means a game of chance in which a right to participate is sold to a player and prizes are awarded, that is:

(1) Played with a card, sheet, or an electronic representation thereof, bearing numbers or symbols;

(2) Played with the participant covering, marking or revealing the numbers or symbols, as objects similarly numbered or designated are drawn from a receptacle and orally called; in the case of electronic representations, the requisite covering, marking or revealing may be accomplished electronically to match objects similarly numbered or designated and stored in memory in advance as winners, or which are generated randomly by an electronic process;

(3) Won by the player who first covers, marks or reveals a previously designated arrangement of numbers or symbols; and

(4) Played on the premises of a licensed organization and during the

organization's regular hours of conducting bingo games.

(5) The term "bingo" includes pull-tabs made available as a companion game to bingo and played on the premises. The term "bingo" does not include any game which is played via television, telephone, satellite dish or any other telecommunications transmission or receiving device.

(6) Any electronic device used to produce an electronic representation of a pull-tab must maintain an inventory recorded in computed memory, not on cartridge memory, of the numbers of winners and losers. It must also be equipped with tamper-proof electric meters as a backup to the computer memory. It may not dispense cash or coins. Paybacks will be dispensed by printed ticket only. The printer shall maintain duplicate records of all transactions. All such electronic pull-tab devices shall be approved by the Commission. Nothing herein shall prohibit the use of non-volatile memory devices that possess the ability to be checked for program integrity to a 99.9% level of competence at the site of the location owner by the Commission utilizing limited specialized equipment. Such non-volatile devices (other than standard EPROMs) shall be submitted to the Commission for final approval.

(7) Other than those games as authorized by statute, bingo does not include a game whereby the player contributes to a pot and if such player wins a bingo game on a predetermined number that person wins, in addition to the regular prize, the contents of the pot. No other type game or raffle in which a person makes any wager on the chance of winning any prize may be offered or held in connection with the authorized bingo games as described in this section. Violation of this subsection may result in revocation of the organization's bingo license.

(g) "Bingo supervisor" means the person who is designated to supervise all activities, and be responsible for the conduct of all games of a particular session of bingo and may enter into agreements with manufacturers, distributors and operators on behalf of the charitable organization. A bingo supervisor or alternate supervisor shall be designated for every session of bingo held by a licensee.

(h) "Chairman" means the Chairman of the Commission acting in the capacity as the Chairman.

(i) "Charitable bingo supplies" means any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable bingo provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo or pull-tabs. It also includes any

computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable bingo. Bingo game sets commonly manufactured and sold as children's games for a retail price of twenty dollars or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's bingo activity.

(j) "Charitable limited license" means a special license for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief.

(k) "Charitable Organization" means:

(1) Any nonprofit organization domiciled in this state that is tax exempt under Section 501 (c) or (d) of the United States Internal Revenue Code And which has on file with the Commission either a tax exemption letter issued by the United States Internal Revenue Services, or a certified copy of its application for such tax exempt status if the Commission determines that the organization is likely to be granted the tax exempt status, and is:

(a) Any chapter or post domiciled in this state of a nationally chartered organization whose membership is composed of former members of the military forces of the United States of American or whose membership is composed of members of the Merchant Marine Veterans Association;

(b) Any nonprofit civic, educational, wildlife conservation organization or religious organization domiciled in this state.

If an organization which has on file with the Commission a certified copy of its applications for a tax exemption under Section 501 (c) or (d) of the U. S. Internal Revenue Code is not granted the exemption within twelve (12) months from the date of such application, the organization's license shall be subject to revocation pursuant to Section 97-33-61.

(2). Any senior citizen recreation club, which is defined as an organization sanctioned by the local council on aging and composed of members age sixty (60) years or older, the sole function of which is to provide amusement and diversion for its members.

Any organization that does not meet the standards stated above, may petition the commission for a waiver of compliance.

(l) "Commercial lessor" means any person or other entity, other than a bona fide nonprofit organization licensed to conduct charitable bingo games, who leases any

building, structure, or premises to organizations licensed to conduct charitable bingo games.

(m) "Commission" means the Mississippi Gaming Commission or its duly authorized representative.

(n) "Contact Person" means the designated agent by the charity that is to interface with the commission.

(o) "Distributor" means any person or other entity who sells, offers for sale, or otherwise furnishes to any licensed charitable organizations or operators, gaming supplies or equipment for use in the conducting of a bingo game.

(p) "Electronic Bingo Card Dauber means an electronic device or apparatus used by a bingo player to monitor bingo cards purchased at the time and place of a licensed organization's bingo session, and which:

(1) Provides a means for numbers announced by a bingo caller to be input to a bingo players cards:

(2) Compares the numbers input to the numbers contained on bingo cards previously stored in the electronic database of the device:

(3) Identifies winning bingo patterns; and

(4) Signals only the bingo player when a winner bingo pattern is achieved.

(q) "Executive Director" means the executive director of the Commission.

(r) "Expenses" means ordinary, necessary and reasonable costs incurred in preparation for, or in the conduct of, the bingo operation. It does not include childcare or babysitting services, door prizes or promotional items given to participants, or transportation charges for participants.

(s) "Gross Receipts" means all revenue received from bingo operations.

(t) "Licensee" means any organization licensed by the Commission to conduct charitable bingo, or licensed as a manufacturer, distributor, or operator of supplies or equipment.

(u) "Manufacturer" means any person or other entity who manufactures for sale, offers for sale, or otherwise furnishes, any gaming supplies or equipment for use in the conducting of a bingo game. The manufacturer can only sell to licensed distributors.

(v) "Net proceeds" means the gross amount collected from participants less the

actual prizes or winnings paid, and less the actual cost or expenses of conducting the bingo game. In determining "net proceeds" for manual pull-tabs see Rule O (2).

(w) "Operator" means a person or other entity who rents or leases the charity an electronic facsimile pull-tab device or labor saving device as described in Section 97-33-53. This license will also be issued to those persons or entities which repair and/or service electronic pull-tab devices. This person or entity may not be engaged in any other form of bingo operations such as a distributor, manufacturer, charity or commercial lessor.

(x) "Participant" means a patron of a bingo establishment who participates in a bingo game.

(y) "Pay-out" means the number of credits won by a player in a video game, whether used to play additional games or collected on a ticket voucher, in proportion to the amount of cash and credit wagered.

(z) "Prize Pay-out" means the total amount paid to one or multiple winner(s) of any one bingo game, pull-tab, or electronic pull-tab winner.

(aa) "Pull-tabs" means single or banded tickets or cards each with its face covered to conceal one or more numbers or symbols, where one or more cards or tickets in each set have been designed in advance as winners. "Pull-tabs" shall also mean any device for dispensing pull-tabs or any electronic video finite pull-tab device approved under these rules and regulations.

(bb) "Pull-tab set or deal" means any form, series or group of pull-tabs having the same serial number. In the case of an electronic video pull-tab device, a deal shall consist of four equivalent sets of pull-tabs, each set being identical to the other three, except as specified herein.

(cc)"Reasonable Market Rental Rate" is that rate at which similar facilities or equipment available for similar purposes in the community may be leased or rented.

(dd)"Session" means any five (5) hour time period with in one day. A licensee may hold no more than two sessions in one day or more than eight sessions in one week. A licensee who holds only one session per week may conduct one six hour session. A day means a period of time of 24 hours from midnight to midnight. A week means that period of time from 12:01 a.m. Monday, through midnight the following Sunday. The session begins when the first ball is called, or when the first pull-tab is sold, or when play is activated on the electronic pull-tab devices, whichever comes first. The session will end at midnight, or when the last ball is called, the last pull-tab is sold or the electronic pull-tab devices are no longer available for play. If a bingo game extends beyond midnight, then a new session has begun on the next day. In no case may an organization hold more than eight sessions in one week, regardless of the total number of hours played in each session. The minimum number of hours of traditional call bingo play must be:

- i) For a class “a” organization, three (3) hours.
- ii) For a class “b” organization, two (2) hours
- iii) For a class “c” organization, one (1) hour.

However, if licensee is operating under the eighty (80) hour exception, the session begins when the first ball is called.

(ee)"Ticket voucher" means a printed ticket tendered to the player, upon request, for any remaining credits on the electronic pull-tab device. "In the case of electronic finite video pull-tabs, each set being identical to the other three, except as specified herein." The voucher is redeemable for cash. The electronic pull-tab device printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The original ticket voucher and duplicate audit copy must be legible and maintained as a permanent record for three (3) years. The minimum information printed on the ticket voucher shall consist of the following: The name of the licensee, the serial number of the machine, the time of day that the ticket was printed, the date, the sequential number of the ticket voucher and the value of the prize. The printing mechanism of the electronic pull-tab device shall have a paper sensing device that will prevent play if there is no longer any paper in the printer or, in the alternative, if there is insufficient paper to print a ticket voucher or an audit copy. In the case that the machine senses “paper out”, it shall void the previous cash ticket and print another upon recovery. "Pull-tabs" shall also mean any device for dispensing pull-tabs or any electronic video finite pull-tab device approved under these rules and regulations. The electronic pull-tab device must display a message to the effect when the paper is low or out on the electronic device's monitor

[Authority: Sections 97-33-55, 97-33-59, and 97-33-201.]

B. FEES~

Charitable Organization License Fee	\$ 50	Due at time of application
	\$ 50.00 per charity owned machine per month or any part of a month.	Due by the 15 th of succeeding month in which machine was used.
	1% of gross bingo proceeds of each session and 2 ½% of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “A” organization.	Due by the 15 th of succeeding month in which proceeds were earned.

	½ of 1% of gross proceeds of each bingo session and 2 ½ % of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “B” organization.	Due by the 15 th of succeeding month in which proceeds were earned.
	½ of 1% of gross proceeds of each bingo session and 2 ½ % of all net proceeds from electronic pull-tab devices and manual pull-tabs held by a Class “C” organization.	Due by the 15 th of succeeding month in which proceeds were earned.
Manufacturer’s License Fee	\$ 2,500	Due at time of application.
Distributor’s License Fee	\$ 2,500	Due at time of application.
	2½ % of net proceeds on manual pull-tabs.	Due by the 15 th of succeeding month in which proceeds were earned.
	\$ 50.00 per machine per month or any part of a month.	Due by the 15 th of succeeding month in which machine was used.
Operator’s License Fee	\$ 1,500	Due at time of application.
	\$ 50.00 per machine per month or any part of a month	Due by 15 th of succeeding month in which machine was used.
Special Charitable Limited License	\$ 50.00	Due at time of application.

C. ELIGIBILITY FOR CHARITABLE BINGO LICENSE

Section 1. Charitable Bingo License

A license to conduct charitable bingo shall only be issued to an organization meeting

the qualifications set forth in Mississippi Code Ann. 97-33-53 (b) and has a (3) year history of charitable activity, unless waived by the Commission. A charitable organization as defined in Mississippi Code Ann. 97-33-53(b) (1972), may only obtain one license from the Commission to conduct a bingo game and may only conduct such authorized games at one location.

Section 2. Charitable Limited License

The Commission may issue a special license for the conducting of limited fund-raising bingo games for the benefit of a person, family or group of persons who, because of circumstances which cause a financial crisis of an emergency nature, are in need of immediate fund-raising relief or any other circumstance determined to be reasonable by the commission. This license application must be on the forms provided by the commission and is subject to the following restrictions:

1. The bingo games shall consist of no more than two (2) bingo sessions annually by the same person, family or group of persons; and
2. The total amount of prizes which may be awarded on any calendar day under such a license shall not exceed Fifteen Thousand Dollars (\$15,000.00) in cash or other thing or things of value; and
3. All net proceeds shall go to the specific need for which the games are conducted, as outlined in the application for such license; and
4. Complies with all other provisions of Sections 97-33-51 through 97-33-81.
5. A special limited licensee is only authorized to offer for play traditional call bingo. A limited licensee may not offer pull-tabs nor electronic representations of bingo or pull-tabs.

Section 3. Exemptions

Organizations conducting charitable bingo activity on property which the federal government claims exclusive jurisdiction, groups which participate in closed bingo sessions for amusement purposes only within their respective social clubs, elderly groups or retirement communities, schools, during annual or semi-annual fund raisers, churches during annual or semi-annual fund raisers, etc. where the organization or persons conducting the games do not profit or take a percentage from them are not required to be licensed by the Commission. All groups which claim exemption from the license requirement under this section must have on file with the Commission a request for exemption which certifies the eligibility of the organization. The Commission will provide an exemption letter which should be posted for public inspection. Failure to post the letter may result in a fine and the revocation of the "Exempt Status".

In no event may an exempt organization or group have electronic pull-tab devices on the premises or offer pull-tabs for play. Operators and distributors are prohibited from passing, giving away, selling or in any manner providing pull-tabs or electronic pull-tab devices to exempt organizations. The distributors will include on their monthly reports to the Commission the purchase of bingo supplies by an exempt organization.

[Authority: Section 97-33-59.]

Section 4. A person, family or group who holds a charitable limited license for conducting a limited fund raising bingo game is exempt the 1% or ½% of 1% revenue fee and the session report as required in section J.

However, the charitable limited licensee must report, on a form provided by the Commission, to the Commission within fifteen days of the fund raising bingo game, all revenues, prizes and expenses of the event. The licensee must sign this report to certify all information as true and correct.

Section 5. Any applicant that does not meet the preceding requirements may apply to the commission for a waiver of compliance.

D. APPLICATION FOR A LICENSE TO CONDUCT CHARITABLE BINGO

Section 1. An application to conduct charitable bingo must be submitted to the Commission upon forms prescribed and provided by the Commission. No application will be deemed received if the information is incomplete or illegible. Any such document will be returned to the sender.

Any license issued pursuant to these rules will be in effect up to three years.

Section 2. The application shall include the name of the organization, address, current officers, all members of the board of directors, partners or principals of the organization, supervisors and alternate supervisors, federal tax identification number, federal tax exemption certificate, a copy of any rental or lease agreements or contracts where bingo is to be conducted, where applicable, all proposed contracts between the charity and/or the bingo hall and any other entity for whatever service, product(s), etc. and any other applicable information. A list of bingo employees will be submitted to the commission prior to operation. The application shall include details outlining the financial support that the applicant intends to provide for the purpose for which the charitable organization is created. The details shall include an in depth description of the program services as well as the percentage of the bingo net adjusted gross receipts allocated to each program. The application shall include all expenses it expects to incur with respect to the operation of bingo. Failure to make material progress in meeting, on an annual basis, the requirements of the bingo plans provided may be grounds to deny, suspend or revoke the license of the licensee.

Section 3. The application is not complete unless it is dated and signed by the proposed

supervisor of charitable bingo and the head of the organization, who shall be the president, chairman of the board of directors, or the chief executive officer or other duly elected head of the organization, certifying the information contained in the application is true and correct to the best of their knowledge. It is the intent of this section that the legally responsible official of the applicant organization shall sign in their representative capacity and the application shall contain all information and statements required by the Commission.

Section 4. All bingo games conducted must comply with all the requirements of these rules and to the requirements of the Charitable Bingo Law and such other laws and rules as may be applicable.

Section 5. Statements of purpose provided to the Secretary of State that are so general that the Commission cannot interpret the actual programs the charity is performing will not be accepted. The charity will either be required to more specifically define their purpose or attach specific program descriptions with budget information included.

E. EXPIRATION OF LICENSE/REISSUANCE

Section 1. All licenses issued pursuant to these rules expire three years from the date of issuance unless otherwise noted by the Commission.

Section 2. Any application for a new license must be submitted to the Commission on forms prescribed by the Commission, the fees paid, and new license issued before any bingo activity can be conducted or any work can be performed.

Section 3. Upon application for a renewal license, agents will be provided with charity records to include but not limited to; Checking account statements, cancelled checks, minutes, payroll information and lists of assets. Failure to satisfy all license criteria contained in the Charitable Bingo Law and these rules may result in denial of a license.

F. SUPPLIES

Section 1. Game sheets, packets, cards, pull-tabs, etc. may only be purchased or received by the bingo establishment from a distributor who has obtained a license from the Gaming Commission.

[AUTHORITY: Sections 97-33-67(4), 97-33-69(6).]

Licensed organizations shall provide bingo cards or paper sheets to the participants for use during sessions. Participants shall not be allowed to play on their own bingo cards, with the exception of persons who are legally blind who may use their own cards. The licensee is responsible for proper accounting of all game shares sold to legally blind participants.

All game sheets, packets, and cards must be pre-numbered by the manufacturer. An inventory report shall be maintained which indicates the total amount of paper on hand, purchases and set prices for each type of sheet, packet or card. Requests to change the set prices must be approved by the commission in writing prior to the licensee initiating sales at the new price. Changes can only be implemented on a quarterly basis. The daily session report will indicate the total amount of paper distributed and the prices of each. The game sheets, cards and any packets may not be cut or altered in any way and must be offered to the patrons in the configuration or format as purchased from the distributor.

Section 2. The bingo organization is required to maintain on-site and immediately available for inspection by agents of the commission all purchase invoices of all bingo supplies.

Section 3. Detailed inventory records must be maintained on all bingo supplies. These records must be verified by means of a physical count made at least monthly by an organization member who is not associated with bingo operations. A record of the physical count must be maintained on-site and immediately available for inspection by agents of the Commission.

Section 4. The distributor of all gaming supplies shall maintain all sales invoices to bingo operations and provide bingo organization's purchase information to the Commission on monthly reports. This would include both sales to charitable organizations and operators. The report must include the name of the licensee, the date of sale, the type of game supplies, the number imprinted upon those supplies and the cost of those supplies to the charitable licensee.

[AUTHORITY: Section 97-33-79.]

Section 5. No distributor shall sell, offer to sell, or deliver any charitable bingo product to any licensed organization in this State, and no organization shall buy or accept delivery of any licensed charitable bingo supplies except on terms of immediate payment, or on terms requiring payment no later than the fifteenth day following that on which actual delivery is made. If any payment is not made when due, the distributor shall immediately notify the Gaming Commission thereof and the Commission may notify all distributors licensed in the state in writing of the default and thereafter no Distributor shall sell any charitable bingo products to the organization in default on any other terms than immediate payment until otherwise authorized by the Commission.

No manufacturer shall sell, offer to sell or deliver any charitable bingo products to any licensed distributor in this state, and no distributor shall buy or accept delivery of any licensed charitable bingo supplies except on terms on file with the gaming commission. If any payment is not made when due, the manufacturer shall immediately notify the gaming commission thereof and the commission may notify the manufacturers licensed in the state of the default and thereafter no person shall sell any charitable bingo products to the licensed distributor until otherwise

authorized by the commission.

Section 6. No distributor shall accept payment from any licensed organization for any gaming supplies unless that payment is in the form of a check drawn on the organization's separate charitable bingo account.

Section 7. A licensee may not transfer surplus supplies or equipment to another licensee except upon written application, on forms provided by the commission, to and written permission of the Commission. Records must be maintained to fully document the transfer and receipt between both organizations.

[AUTHORITY: Section 97-33-107(1).]

Section 8. Charitable organizations and operators must obtain bingo supplies and equipment from licensed distributors.

Section 9. Licensed distributors must obtain bingo supplies and equipment from manufacturers licensed by the Commission.

G. RELIGIOUS ORGANIZATIONS

Section 1. Section 97-33-107(c) provides that the fees based on gross proceeds shall not be collected from any bingo game held by a religious organization if all the following are satisfied:

- a. The religious organization must have been in existence for at least ten (10) years
- b. The bingo games must be held on-premises owned by the religious organization
- c. No person may be compensated for operating the game; and
- d. The gross proceeds for the bingo games operated by the organization has not exceeded Fifty Thousand Dollars (\$50,000.00) for the calendar year.

Section 2. The religious organization is required to submit monthly reports as required of all bingo licensees including all required information.

Section 3. "Gross proceeds" is the total amount received from the participants of the bingo games. Prizes awarded and other expenses are not deducted from this figure to calculate gross proceeds. When gross proceeds are equal to Fifty Thousand Dollars (\$50,000.00) for a calendar year, the religious organization must begin submitting fees based on gross proceeds and electronic pull-tab devices as provided by class of organization for the remainder of the **calendar** year.

Section 4. It is the responsibility of the religious organization to anticipate when fees must be remitted. All procedures established for the payment of fees must be followed by the religious organization.

Section 5. The religious organization is not exempt from any provisions or regulations such as reporting requirements or the number of sessions which may be held, age of patrons, the amount of prizes which may be awarded, or any other rule or regulation governing bingo operations. The religious organization is not exempt from the fee imposed on pull-tab bingo.

[AUTHORITY: Sections 97-33-107(j), 97-33-107(c), 97-33-71,

H. NOTICE REQUIRED

Section 1. Sign Required.

(a) The licensee is required to create and post in an obvious and conspicuous place close to the entrance a sign which contains a list of the games to be played during each session and the prizes which may be awarded, and the following message and information:

:

(1) TO ALL BINGO PARTICIPANTS:

PLEASE REPORT ANY IRREGULARITIES IN PROCEDURES TO THE
MISSISSIPPI GAMING COMMISSION CHARITABLE GAMING DIVISION

(2) The sign shall contain the address and phone numbers including the toll free number of the Mississippi Gaming Commission.

(b) The sign shall be posted at all times when bingo is being conducted. Failure to post the sign as required could result in revocation of your license.

I. RETURNS/DUE DATES

All bingo returns and reports are due on the 15th of the following month along with applicable remittance. Such returns, reports, and remittance must be postmarked by the 15th of the following month. If the 15th falls on a Saturday, Sunday or legal holiday; postmark from the next business day will be accepted.

The Commission may establish differing reporting requirements for different classes of licensees, so long as they are not more restrictive than those required by statute. Such classes of organizations are as follows:

(1) Class "A" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount in excess of \$5,000 per session;

(2) Class "B" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount of not less than \$2,500 and not more than \$5,000;

- (3) Class "C" shall be composed of licensed charitable organizations which conduct bingo games in which the prizes awarded, or could be awarded, total an aggregate amount of less than \$2,500.

The report must be filed on forms as supplied by the Commission. A report is due each month by each licensee, even if there has been no activity. Not filing, or filing past the due date could result in the revocation of the license. Other appropriate changes may be announced from time to time by the Commission.

The report must be signed under oath by the designated Supervisor whose name is on file with the Commission and the individual who prepared the report.

The law requires each licensee that conducts bingo to report to the Commission in such manner and on such forms as the Commission prescribes. The statutes provide that all reports and supplemental records filed by the operation are public record and open to public inspection in accordance with the Public Records Act of 1983.

[AUTHORITY: Sections §97-33-52(4), §97-33-71, §97-33-65.]

J. REQUIRED RECORDS

Section 1. A separate checking account at a local bank within the state of Mississippi shall be established for bingo. Only proceeds from bingo may be deposited in such account, and only expenses relating to bingo may be drawn against that account. Any expense that you would not incur if you didn't have a bingo hall is considered a bingo expense versus a charity expense. All disbursements related to bingo shall be made only by check drawn on this special bank account, with the sole exception of prize payouts of under Five Hundred Dollars (\$500.00) per prize. All checks shall be made payable to a specific person or corporation, and no check shall be made payable to cash. All checks drawn against the bingo account must be signed by the bingo supervisor or designated alternate supervisor on file with the Commission. Only expenses authorized by statute are allowed and all disbursements from the separate bingo account must be in strict compliance with established policy of the organization. All disbursements must be fully supported by permanently filed receipts, invoices, or other sufficient documentation and must be properly and accurately recorded.

Any compensation paid to any worker must be made by check from the organization's bingo account. Items provided or donated to the organization without payment, or any cost incurred by the bingo licensee, must be documented-include evidence from the donor that no cost was incurred by the licensee.

All receipts from bingo, except for cash used to make prize pay-outs of less than Five Hundred Dollars (\$500.00) per prize, and that amount retained as a cash bank, shall be deposited in the bingo account no later than the next banking day following the bingo session. The start-up bank may be retained from session to session or deposited at the discretion of the licensee. All deposit slips must be sufficiently

completed as to identify the date and source of the receipts being deposited.

The bingo account must be reconciled monthly by someone in the charitable organization other than the person(s) authorized to sign checks on that account. The bingo supervisors, or their alternate, must sign all checks drawn against the bingo account.

All deposit slips, bank statements, with canceled checks, and other bank records must be maintained as permanent record and must be available for inspection by a duly authorized representative of the Commission

Section 2. Each licensee shall create and maintain accurate, legible and permanent records of all transactions pertaining to revenue and expenditures of the bingo operation. All such documents will be completed in non-erasable/permanent ink. Detailed supporting and subsidiary records which identify all revenues, expenses, assets and liabilities must be kept. These records include, but are not limited to: sales invoices and receipts, purchase invoices and receipts, shipping documents, lease agreements, inventory records, and the records of daily bingo activity (session reports) as prescribed by the regulations. All records must be maintained within Mississippi for at least three (3) years. Failure to maintain complete and accurate reports could result in revocation of the license.

Section 3. In addition to other record requirements, a session report shall be completed on forms provided by the commission for each session of bingo that is held. If two sessions are held on the same day, a separate report must be made for each session and completed prior to the start of the next session. This record shall become permanent and must be available for inspection at all times by duly authorized representatives of the Commission. The completed report must be signed by the bingo supervisor or alternate, whose name is on file with the Commission, attesting its correctness. Other signatures of workers will also be required as specified.

The session report will be completed in non-erasable ink and will include the following information:

1. General information.
 - a. Name of bingo licensee.
 - b. Date.
 - c. Session number.
 - d. Time session began.
 - e. Time session ended.
 - f. Total number of participants.
 - g. Copy of program run for that session.

2. Schedule of workers.
 - a. Total number of workers
 - b. Name of each worker. A complete list of workers and their social

security numbers must be maintained on file at the bingo facility. This list must be available for inspection by agents of the Commission

- c. Duty of job assigned to each worker (such as responsible for money count, or sale of paper sheets and runner, etc.).
 - d. Hours actually worked by each worker.
 - e. Compensation paid to each worker-- if none, indicate "NONE".
 - f. Signature of each worker attesting correctness of hours and compensation.
 - g. Total compensation paid to all workers.
3. Game report.
- a. List by name, number and type of each game offered during the session (include pull-tabs and electronic pull-tab devices, if applicable). The program for each session must be attached to the session report.
 - b. Total number by type of game sheets, packets and/or cards sold to participants.
 - c. Cost to participant per each type game sheet, packet or card sold.
 - d. Names of worker(s) selling game sheets, packets, cards, and their signature(s) verifying the numbers of paper supplies issued and prices paid by the participants.
4. Total receipts from bingo and electronic daubers. (Exclude pull-tab and electronic pull-tab devices). Total receipts is the gross amount received from all participants from the sale of packets, game sheets, cards, etc., from the session. Do not include receipts from pull-tabs or electronic pull-tab devices in this total. This figure is attested by signature of the worker who has duty of cashier and another worker who verified the money count.
5. Prize report.
- a. List the prize(s) awarded for each individual game (exclude pull-tab and electronic devices).
 - b. List the names of winners for each prize awarded, if multiple winners, all names must be listed for each prize.
 - c. Type of games-the winning game sheet or card must be retained for a period of ninety (90) days, or until an agent does an inspection and instructs that said sheets may be destroyed. A list of winners must be retained for verification for a period of three (3) years.
 - d. Amount of each prize awarded. If the prize is non-cash, a description of the prize and its fair market value shall be recorded. Also include any door prize which is awarded in a session. A door prize purchased by the organization must be deducted as a bingo expense and must be included in the per session prize limitation.
 - e. A receipt must be written for each prize in excess of \$500.00 that is awarded to a bingo patron. The receipt booklet must be a three-part form with pre-printed numbers. The name of the charity and the location where the

bingo games are held must also be pre-printed on the receipt.

The original copy of the receipt is to be completed and given to the bingo patron upon determination that the patron has won a prize. The second copy is to be given to the cashier for verification of the prize when the prize is paid to the winning patron to ensure that the original had not been tampered with or altered in any way. This second copy must be signed by the patron when he or she receives his or her winnings. This second copy is permanent record and must be attached to the session report. An unsigned prize receipt will void the prize. The third copy must be maintained in its original booklet to be used as verification and maintained on file for at least three (3) years.

The following information is to be included on the receipt:

- 1) Date
- 2) Session number
- 3) Game played
- 4) Prize amount awarded
- 5) Name of winner printed legibly
- 6) Address, city and state of winner
- 7) Social security number of winner
- 8) Signature of winner
- 9) Signature of worker who awarded the prize
- 10) Signature of cashier who paid the prize

If the prize is five hundred dollars (\$500.00) or more a check must be written to the winner. This amount must be included in the total prizes awarded.

f. Total amount of all prizes awarded for the session (exclude pull-tab and electronic pull-tab devices.)

6. Pull-tab bingo.

- a. Listing by name and serial number of each deal being sold during the session.
- b. Number of pull-tabs sold
- c. Price per pull-tab
- d. Name of worker(s) selling pull-tabs and their signature verifying total issued, sequence numbers and price
- e. Total receipts from pull-tabs

7. Prizes awarded for pull-tab bingo.

- a. The patron must sign all winning pull-tab beginning with third tier from the bottom and up. A copy of the payout sheet, which is included in each deal, must be maintained as evidence of all receipts and prize payouts.
- b. Total amount of prizes awarded for pull-tabs. Any winning player receiving \$500.00 or more must sign a receipt as described in Mississippi

Charitable Gaming Regulations J,(3)(5).

c. The winning tabs must be retained for a period of ninety (90) days or until an agent does an inspection and instructs that said pull-tabs may be destroyed.

8. Total receipts from electronic pull-tab devices. The money count report must be attached to the session report.

9. Total prizes paid to electronic pull-tab device players. All payout tickets must be signed by the patron and the cashier. All tickets must be attached to the session report for verification. Any winning player receiving \$500.00 or more must sign a receipt as described in section J, subsection 3, part 5.

10. Total of all receipts from bingo, including electronic daubers, pull-tabs, electronic pull-tab devices.

11. Total of all prizes awarded from bingo, including electronic daubers, pull-tabs, electronic pull-tab devices

12. Win/Loss (gross receipts less prizes awarded).

13. Cash reconciliation.

- a. Cash on hand, beginning two (2) workers signatures of verification.
- b. Cash receipts for the session.
- c. Cash disbursements prizes under Five Hundred Dollars (\$500.00).
- d. Cash on hand, ending two (2) workers signatures for verification
- e. Check receipts for the session.
- f. Bingo supervisor or designated alternate supervisor signature verifying all information on the report is true and correct.

[AUTHORITY: Sections 97-33-65, 97-33-69, 97-33-71,97-33-73, 97-33-75, 97-33-109.]

K. VALUE OF PRIZES

The value of all non-cash prizes shall be equal to the fair market value or normal and reasonable selling price of such prize.

If the prize has been donated to the licensee, then the donor of such prize shall prepare an invoice or statement to the licensee which states that the item is donated to the licensee and states the normal selling price or fair market value of such item. This documentation will be attached to the session report in which the prize was awarded.

The value of the non-cash prize is included in the total prize limitation which may be awarded for any session.

The value of donated prizes may not be reported as an expenditure.

[AUTHORITY: Sections 97-33-67(2), 97-33-71(1e).]

L. AUTHORIZED EXPENDITURES

Section 1. All net proceeds derived from a bingo game authorized by the Charitable Bingo Law shall be expended only for the purposes for which the charitable organization is created. The use of bingo proceeds for any other purpose to include; start-up costs, attorney fees, appellate costs or any other cost not routinely incurred by the organization must be preapproved by the Commission in writing. Approvals are not necessarily prohibited but the commission must determine if they are necessary, reasonable, and specifically described in the organization's statement of purpose. No attorney fees will be approved to defend any individual in an administrative, civil or criminal matter.

Section 2. None of the proceeds of a bingo game shall be used to purchase, construct or improve a building, hall or other facility solely for the purpose of conducting or operating a bingo game. Religious and veterans organizations, whose organizational office is located on the same premises, are exempt from this requirement.

[Authority: 97-33-52(3).]

Section 3. The total amount of prizes which may be awarded in any one session by a licensee shall not exceed \$7,500.00 in cash or other items of value offered as a prize; or \$8,000.00 if only one session is held in any one week.

The total prize limit does not include paybacks for pull-tabs or electronic representations.

[Authority: 97-33-67(2).]

Section 4. The total amount of prizes which may be awarded in any one day by a licensee who holds a special license for limited fund-raising is \$15,000.00.

[Authority: 97-33-59(1).]

Section 5. No commission, salary, compensation, reward or recompense, including but not limited to bonuses, incentive pay, loans, granting or use of bingo cards without charge or at a reduced charge, shall be given to any person holding, operating, conducting or assisting in holding, operating any licensed bingo game, either directly or indirectly by the licensee except as authorized by Section 97-33-69 (3) and these regulations.

[Authority: 97-33-69(2).]

The charity is prohibited from compensating any member or other person who, acting on behalf of the charity, organizes, arranges, directs, oversees, consults,

confers or in any manner participates in the holding of a bingo game other than the exception as authorized by statute and described in this section and in section FF. of these regulations.

Violation of this provision by the charity could result in suspension or revocation of the charity's charitable bingo organization license. The burden of proof shall be upon the charity licensee that this provision is not violated. The financial records of the charity, aside from the required bingo records, must be made available to the Commission upon request for verification.

Section 6. A licensee may compensate any person involved in holding, operating, or conducting any licensed game or games, provided that the total amount paid as such compensation shall not exceed four hundred dollars (\$400.00) for any one session, and that no such employee shall be paid for more than one job function.

People to whom such compensation may be paid include the bingo supervisor, alternate supervisors, callers, runners, cashiers, etc. Bingo supervisors and alternate supervisors, if compensated, must have a written contract on a per session basis.

However, neither the bingo supervisor, nor any alternate supervisor, nor any person related to any supervisor or alternate by blood, marriage, or business relationship, while being compensated as a bingo supervisor, shall receive any other compensation directly or indirectly from the licensee.

[Authority: 97-33-69 (3).]

Section 7. Authorized expenditures include the actual and reasonable costs of purchasing or leasing necessary supplies, equipment and materials used exclusively in the holding of the bingo game.

[Authority: 97-33-69(7a).]

Section 8. Authorized expenditures include the actual and reasonable cost incurred in obtaining and performing necessary bookkeeping, security and janitorial services for the holding, operating or conducting of the bingo game.

[Authority: 97-33-69(7b).]

Section 9. No licensee shall pay any consulting fee to any person for any service performed in relation to the conducting of a bingo game, nor pay any concession fees to any person who provides refreshments to the participants.

[Authority: 97-33-69(8).]

Section 10. No lease which provides for a rental arrangement for premises, or a lease of equipment, may provide any payment in excess of the reasonable market rate. No lease payment may be based on a percentage of gross receipts or profits derived from

any bingo game.

[Authority: 97-33-69(9).]

Section 11. The monthly report required to be filed with the Commission must list each item of expense incurred and each item of expenditure made or to be made

Section 12. In order to insure that authorized bingo games are actually held for the benefit of a charitable organization, and that proceeds are expended for the purposes for which the organization was created, a charitable bingo licensee's authorized expenses may not exceed sixty percent (60%) of its adjusted gross receipts from bingo activities. The net adjusted gross receipts, remaining after authorized expenses, must be devoted to the specific purposes for which the organization was created. Not less than sixty-five percent (65%) of the net adjusted gross receipts shall be expended for direct program services. For the purpose of this section, direct program services are grants, allocations, specific assistance to individuals and approved charitable services. Direct program services do not include administrative expenses or compensation of officers, directors, etc.

Adjusted gross receipts are to be calculated by taking the licensee's gross receipts (all revenues received from bingo operations) and subtracting the amount paid out as prizes, and the amount of fees paid the Commission.

The authorized expenses which may be incurred by a charitable bingo licensee are set forth in Section 97-33-69 of the Mississippi Code, and in Section 6, 7, and 8 of this Regulation.

Every charitable bingo licensee must be in compliance with the requirements of this provision for any period comprised of twelve consecutive months. Failure to be in compliance with the requirements of this provision may be grounds for the Commission's refusal to renew or revoke a charitable bingo license after the licensee has had the opportunity to show cause why such action should not be taken.

When the commission conducts an audit of the charity and/or bingo books/records, the charity will provide sufficient private office space with table(s), chairs.

Section 13.

To insure that all net proceeds derived from a bingo game authorized by the Charitable Bingo Law shall be expended only for the purposes for which the charitable organization is created, the Commission shall have the power to audit the flow of funds, whether gross proceeds or net proceeds, that are expended by the bingo licensee in support of the applicable charity activity. The Commission shall have the power to deny, suspend or revoke the license of the licensee or the application of the applicant, if the licensee or applicant fails to comply with the provisions of this section (13). The provisions of this section shall not apply to:

- I. A person or entity that has been issued a special license for conducting limited fund-raising bingo games for emergency financial relief under Section 97-33-59;

- II. A charitable organization that otherwise meets the requirements of the charitable bingo law and regulations and is a religious organization which has been in existence for ten (10) years or longer, conducts its bingo sessions on premises owned by the religious organization and conducts its bingo sessions solely by active members of the organization, without any person or entity being compensated for operating the sessions;
- III. A charitable organization that otherwise meets the requirements of the charitable bingo law and regulations and is a chapter or post domiciled in this state of a nationally chartered organization having a membership composed of former members of the military forces of the United States of America, or members of the Merchant Marine Veterans Association, and conducts its bingo sessions solely by active members of the organization, without any person or entity being compensated for operating the sessions.

[Authority: §97-33-52, §97-33-57, §97-33-69, §97-33-107.]

M. BINGO HARD CARDS

Every organization which uses reusable bingo cards (slide, shutter or hard cards) must account for the sale of each card and provide a sound audit trail. Each hard card must be assigned a distinct card control number. This number, along with the name of the card owner, must be permanently and conspicuously printed on the card.

Duplicate, pre-printed, serially numbered receipts must be used to account for all hard card sales. A receipt must be prepared and issued upon each individual sale of one or more cards, with the licensee retaining the duplicate copy of the receipt. Each receipt must be initialed by the issuer (worker) and show the date of the session, the control number(s) of the card(s) issued, and the dollar amount of the sale. A line should be drawn under the last card number listed on the sheet so as to preclude anyone from adding extra card numbers to the list of paid cards.

All voided receipts must be initialed by the issuer, and retained by the organization.

Upon redemption of a winning card, the player must present his or her receipt showing purchase of the card. The checker must verify that the winning number is listed on the receipt, and that the date of the receipt is current. In addition, should the receipt bear any apparent alterations, scratch-through, suspect initials, or other suspect markings, then the authenticity of the receipt must be verified by comparison to the licensee's duplicate.

At the end of each session, all receipts must be accounted for, and the licensee must reconcile total sales per duplicate copies of issued receipts with actual dollar amount collected from the sale of hard cards. A written record of this reconciliation must be prepared and retained by the organization.

The licensee shall be held strictly accountable for all receipts, forms or booklets purchased and for all receipts issued. All receipt numbers must be fully accounted for, and all duplicate copies of issued receipts and voided receipts must be retained for a period of three (3) years. In addition to the above procedures, each organization using hard cards must attach a statement to each of

their charitable bingo session reports which shows the total amount collected during the session from the sale of hard cards.

[Authority: 92-33-109(f), 97-33-71(3).]

N. ASSIGNED FIXED VALUE REQUIRED ON DISPOSABLE AND NON-DISPOSABLE BINGO CARDS.

For the purpose of this rule, a disposable bingo card is a card made of paper or other suitable material which is designed or intended for use at a single bingo occasion. A non-disposable bingo card is a reusable card such as a hard card, or other that contains a slide or shutter.

- Section 1. Each organization will assign a fixed value, the amount it intends to charge, but in no case less than twenty five cents (\$.25), for individual non-disposable bingo cards, if used; and/or for each cut and collation of disposable bingo card it intends to use, sell, or otherwise furnish in the conduct of its gaming sessions. The value of electronic dauber cards must be the same as assigned to disposable or non-disposable cards.
- Section 2. Each organization will submit a list to the Commission with the assigned fixed values it intends to charge for each disposable, non-disposable or electronic dauber bingo card that it intends to sell. The value of electronic dauber cards must be the same as their disposable or non-disposable cards.
- Section 3. All sales of disposable, non-disposable bingo and electronic dauber cards must be in accordance with the fixed assigned values as reported to the Commission.
- Section 4. Neither the fixed assigned values nor the cuts and collations of disposable, non-disposable or electronic dauber bingo cards can be changed without prior written approval from the Commission.
- Section 5. Organizations may not (1) discount the price of any disposable, non-disposable or electronic dauber bingo card, or (2) accept in trade, in lieu of full or partial payment, any disposable, non-disposable bingo or electronic dauber card.

[Authority: 97-33-109(f), 97-33-71(3).]

O. MANUAL PULL TABS

- Section 1. A licensee is prohibited from selling a manual pull-tab for an amount different from the pull-tab's face value. A licensee may not give away or sell pull-tabs at a discounted price.
- Section 2. The proceeds from manual pull-tab bingo is subject to a fee of 2 ½% to be paid by the licensed distributor. This fee is due on or before the 15th of each month along with the monthly report of purchases of bingo supplies and equipment by all bingo operations. Any fee received after the due date shall be subject to a penalty of 25%.

Proceeds are defined, for the purpose of this fee, to be the gross receipts from the sale of manual pull-tabs, less prizes awarded for manual pull-tabs. No other cost or expense shall be deducted.

The licensed distributor shall pay this fee on manual pull-tabs as a condition of their license, as well as collect and remit to Mississippi all sales and/or use tax where appropriate. Failure to pay the fee or taxes shall result in the revocation of the license.

Section 3. The revenue from bingo, electronic bingo or electronic pull-tab bingo is not subject to this fee, nor are the prizes awarded for bingo, electronic bingo or electronic pull-tab allowed to be deducted in the calculation of net proceeds for pull-tabs.

Manual Pull-tab revenue and prizes must be accounted for separately from bingo or electronic pull-tabs or electronic bingo. The bingo licensees are required to maintain their books in such a way that the revenue prizes and costs may be easily identified upon review or audit.

Section 4. A report shall be submitted monthly by the charitable organization which indicates the total number of pull-tabs sold, the price thereof of each pull-tab (to the participant) and a total of prizes awarded. The report must be accompanied by an invoice(s) of purchase of the pull-tabs to verify the cost deducted.

[Authority: 97-33-107(b), 97-33-65, 97-33-107(g).]

If the auditor is unable to identify because of the lack of proper records, it will be assumed that all bingo revenue is subject to a 5% penalty versus a 2 ½ % fee, due to lack of or poor record keeping.

[Authority: 97-33-107(b), 97-33-65, 97-33-107(g).]

P. STANDARDS FOR CONSTRUCTION OF MANUAL PULL-TABS

Section 1. Pull-tabs shall be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull-tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, the use of a marking, variance in size, variance in paper fiber, or light.

Section 2. All pull-tabs, except banded and latex covered pull-tabs, will be constructed using a two or three ply paper stock construction.

Section 3. The manufacturer shall conspicuously print on the face or cover sheet the name of the manufacturer or trademark identifying the manufacturer. The series number shall be printed on the game information side of the ticket. On banded pull-tabs, the series number and the name of the manufacturer or trademark identifying the manufacturer shall be printed so both are readily visible prior to opening the pull-tab. Each deal or

set shall have a separate serial number.

- Section 4. The cover sheet or "open here" side shall be color coded when individual series numbers are repeated and may show the consumer how to open the pull-tab to determine the symbols or numbers. The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull-tabs, while at the same time, not permitting pull-tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either a perforated or clean-cut edge on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of the ticket down. On latex covered pull-tabs, either the face or back of the pull-tab shall be color-coded when individual series numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull-tabs, the bands shall be color coded when individual series numbers are repeated.
- Section 5. Pull-tabs will be glued or sealed so that it is impossible to determine the covered or concealed numbers, symbol or set of symbols on the pull-tab until it has been dispensed to and opened by the player.
- Section 6. All pull-tabs shall be of a uniform thickness within a series. Vendable pull-tabs are defined as pull-tabs that are sold out of mechanical pull-tab dispensing devices approved for use in this state. The single opening and double-sided tabs shall have an overall bulk thickness of .045 inch per pull-tab, plus or minus .003 inch. The multiple opening tabs shall have an overall bulk thickness of .026 inches per pull-tabs plus or minus .002 inches.
- Section 7. Non-vendable pull-tabs are defined as those that cannot be sold out of mechanical pull-tab dispensing devices approved for use in this state. Non-vendable pull-tabs may be dispensed from fishbowl, receptacles, or spindles; however, in no case shall they be dispensed from the packing box. Manufacturers of non-vendable pull-tabs may use any thickness that complies with all other rules. In no instance will any type of pull-tabs be approved where the winning tabs are distinguishable by visible variation in dimension.
- Section 8. All pull-tabs within a single pull-tab series shall also be uniform in length and width and may not vary by more than $\frac{3}{64}$ inch between series. Vendable pull-tabs which are single opening or double sided tabs shall be $1\frac{7}{8}$ inches x 1 inch, plus or minus $\frac{1}{8}$ inch. Multiple opening vendable pull-tabs shall be $3\frac{1}{2}$ inches x $1\frac{7}{8}$ inches, plus or minus 1 inch. Non-vendable pull-tabs may be manufactured in any size as long as they comply with all other rules.
- Section 9. Winner protection - A unique symbol or printed device shall be placed in the high tier winner window so as to insure that the high tier winner is made unique.
- Section 10. Color or printing variations - It should not be possible to detect or pick out winning from losing tickets through variations in printing, graphics or colors, especially those

involving different printing plates.

[Authority: 97-33-107(b), 97-33-65, 97-33-107(g).]

Q. ASSEMBLY AND PACKAGING OF PULL-TABS

Section 1. Manufacturers of pull-tabs shall manufacture, assemble, and package each pull-tab series in such a manner that none of the winning pull-tabs, nor the location or approximate location of any of the winning pull-tabs can be determined, in advance of opening the pull-tabs in any manner or by any device; including, but not limited to, any pattern in manufacture, assembly, packaging, markings, or by the use of a light.

Section 2. Winning pull-tabs shall be randomly distributed and mixed among all other pull-tabs in the series. The series shall be assembled and packaged with special care so as to eliminate any pattern as between series, or portion of series, from which the location or approximate location of any of the winning tabs may be determined.

Section 3. When the series is packaged in more than one package, box or other container, the entire series of individual pull tabs shall be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull-tabs or determine whether any one package or portion of a series contains a larger or smaller percentage of winning pull-tabs than the balance of the series. The packages, boxes or other containers shall not be numbered or marked in any way so as to distinguish one from the other. When a series is packaged in more than one package, the entire series or deal shall be put into play at the same time. Each series of pull-tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series. This information may be printed on the back of the flare or the outside of the packages, boxes or containers in which the pull-tabs are packed.

Section 4. No distributor or manufacturer of pull-tabs, shall sell or otherwise provide to any person in this state, or for use in this state, any pull-tabs series that does not conform to the following:

- (a) Maximum 4,000 tickets per deal;
- (b) \$500 maximum prize for an individual ticket;
- (c) Minimum payback percentage:

Ticket price	Minimum Payback
.25	65%
.50	65%
1.00	70%

R. ELECTRONIC PULL-TAB DEVICES.

Section 1. Electronic pull-tab machines or devices which have been approved for use by the

Commission will be equipped with tamper-proof electric meters. The devices will not dispense cash or coins. Payback will be dispensed by printed ticket only. The printer must maintain duplicate copies of all transactions.

Section 2. In order for charitable organizations to have electronic pull-tab devices, the charity must conduct a traditional bingo session at least once a week. The charitable organization will be limited to the possession of ten (10) electronic pull-tab devices which must be permitted by agents of the gaming commission prior to actual operation. A daily report form provided by the commission, is required to be prepared on the electronic pull-tab device activities. If the bingo operation holds two (2) sessions within one (1) day a report for both sessions is required and must be completed prior to the start of the next session. The date and the beginning and ending times of the session(s) must be included on the report. In no event may an amusement machine on the premises simulate play of poker, keno, lotto or lottery, twenty-one, blackjack, or any other card game or simulate play of any type slot machine, regardless of whether or not the machine has a payback feature or awards extra play credits. Time limits on the number and length of sessions notwithstanding, pull tabs, video pull tabs or video bingo games may be played for up to 80 hours per week. The licensee must report all out-of-session activity gross receipts and prizes on a separate report provided by the Commission.

Violation of this subsection may result in revocation of the bingo license.

Section 3. Included in this report are session or daily meter readings for each machine recorded before activities begin; and recorded after activities have ceased. Signatures of two (2) workers attesting readings shall also be recorded. An agent of the Commission may randomly inspect meter reports, and the electronic pull-tab device's meter readings.

Section 4. The report must indicate total amount played (coin in), total amount of credits played, the total amount of credits won, the total amount of credits paid (coins out), for each machine. The report must give the total number of winners and total number of losers for each machine.

Section 5. The original and the duplicate copies of the printed ticket vouchers must be maintained. The winner must sign acceptance of receipt of the prize which indicates the amount, date and machine number. The person who paid the prize must also sign to verify payment. The receipt must be attached to the session or daily report.

Section 6. After all activities have ceased for the day each electronic pull-tab device is to be opened in the presence of at least two (2) workers and the contents are to be removed and tagged with its respective machine number. The contents must then be counted for each machine and the results will be entered on the daily report.

Section 7. The coins and/or cash are wrapped immediately after being counted. As the coin and/or cash is being counted and wrapped, it is maintained in such a manner as to be able to obtain an accurate count for each machine when the wrap is completed.

- Section 8. A count team member records the results of second count as wrapped by denomination. Discrepancies between the two counts are to be investigated immediately by the bingo supervisor or alternate supervisor and explained on the report. All persons participating in the count process shall sign the report to attest the accuracy of the amounts reported.
- Section 9. A deposit slip is prepared and the coins and/or cash are deposited into the bingo checking account.
- Section 10. The actual win/loss is calculated by taking the gross amount received determined by the count, less all pay-outs as determined by credits turned in and paid to patrons. This figure is to be compared to the win/loss as determined from the machine meter readings. Any significant differences must be investigated and documented on the daily report by the designated supervisor.
- Section 11. The keys to open the locked doors to the electronic pull-tab device's coin and/or cash box must be maintained by the bingo supervisor, alternate supervisor or a worker whose duty is not cashier, money count, or the person who pays prizes to the participants.

[Authority: 97-33-53(a, iv), 97-33-109(f), 97-33-71.]

- Section 12. No licensee shall allow any person under eighteen (18) years of age to play any electronic or manual pull-tab device.

S. VIDEO BINGO AND VIDEO FINITE PULL-TAB MACHINE SPECIFICATIONS.

- Section 1. Prior to approval for use in the state, each video bingo machine must meet the following specifications with respect to its operation:
- (a) Must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 99 percent (99%) confidence limits using a standard chi-squared test for goodness of fit; and any other generally accepted mathematical tests for randomness as authorized by the Commission.
 - (b) For bingo machines the field of numbers shall be mixed after each game by using a random number generator;
 - (c) For bingo machines a field of numbers from 1 to 75 shall be utilized;
 - (d) For bingo games after the field of numbers has been mixed and before the start of the game, the field of numbers is to be frozen with all numbers used for play taken in order from the top of the frozen field;
 - (e) For bingo games when only one bingo card is displayed, the machine may allow the player the option of manually selecting the numbers on the card. In all other cases, the bingo cards shall be generated by the random number generator and no two cards during one game may be identical;
 - (f) Payout shall be not less than eighty percent (80%) and not more than

ninety-three percent (93%);

- (g) The maximum prize awarded shall not exceed one thousand dollars (\$1,000.00) per game;
- (h) The machine shall not dispense cash;
- (i) One credit shall equal twenty-five cents (\$.25) in value;
- (j) The maximum allowable bet shall not exceed one dollar (\$1.00) per game;
- (k) The machine may have two electronic coin mechanisms that accept coins. Mechanical coin acceptors are prohibited;
- (l) The machine may have a mechanism that accepts cash in the form of bills that do not exceed twenty dollars (\$20.00).
- (m) The game pay-table shall be prominently displayed and understandable to the player. The pay-table for each subsequent coin bet must be greater than or equal to the percentage of the previous coin;
- (n) The game of play shall conform to standard rules of bingo;
- (o) In bingo games each card shall contain twenty-four (24) numbered spaces per card and one (1) free spot;
- (p) In bingo games the machine shall designate the winning arrangement of numbers prior to commencing play;
- (q) In bingo games the player shall have a choice of cards on which to play;
- (r) In bingo games all winning cards shall be available for display on the screen, including any that may be played by the machine in any game;
- (s) In bingo games the machine shall display the number of balls picked and the credits awarded for the number of balls drawn in order to obtain a bingo;
- (t) In video bingo games, each game shall continue until such time a bingo is produced or the player no longer has a chance to win;
- (u) The machine shall pass a static test performed by the Commission or its designee using currently acceptable test criteria;

Section 2. Prior to approval for use in the state, each video pull-tab machine must meet the following specifications with respect to its operation:

- (a) It shall only offer the game of video finite pull-tabs and video bingo (as set forth in this Regulation);
- (b) Each "deal" that is visible to the player shall be represented internally in the device as four separate and distinct finite "sub-deals" all identical in the number of tabs, the number of winners and losers and the number of winning tabs for each pay tier. After accepting money or bills from the player, the player shall press a button on the console or on the screen (in the case of a touch screen device) which shall signal to the device that the player is requesting a pull-tab. At this point the device shall choose a random number between 1 and 4 to signify which "sub-deal" the pull-tab will be pulled from. Subsequently, the device shall also choose a random number to determine which tab shall be displayed to the player. If the tab selected has been previously drawn out of that "sub-deal" the device shall choose another tab in an approved manner until one is obtained that has not been previously drawn.
- (c) A "sub-deal" shall not be reconstructed at any time until all of the tabs in the "sub-deal" have been previously pulled out. At which point, the finite device shall regenerate the "sub-deal" to match its original state. The terminal shall not be

capable of indicating to the player, operator, distributor, or manufacturer that such "sub-deal" has been regenerated;

(d) The maximum number of tabs per "sub-deal" shall be not less than 4,000 and no more than 20,000 tabs. The finite pull-tab game shall display either on-screen or on accompanying glass, all winning combinations and the payout awarded for achieving such payout. However, the game shall not display in any manner, the number of tabs of each finite category that have the ability to be picked or how many tabs remain;

(e) Each device must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 99 percent (99%) confidence limits using a standard chi-squared test for goodness of fit; and any other generally accepted mathematical tests for randomness as authorized by the Commission.

(f) Payout shall be not less than eighty percent (80%) and not more than ninety-three percent (93%);

(g) The maximum tab win amount awarded shall not exceed one thousand dollars (\$1,000.00) per game;

(h) The machine shall not dispense cash;

(i) One credit shall equal twenty-five cents (\$.25) in value;

(j) The maximum allowable bet shall not exceed one dollar (\$1.00) per game;

(k) The machine may have two electronic coin mechanisms that accept coins. Mechanical coin acceptors are prohibited;

(l) The machine may have a mechanism that accepts cash in the form of bills that do not exceed twenty dollars (\$20.00);

(m) The game pay-table shall be prominently displayed and understandable to the player. The pay-table for each subsequent coin bet must be greater than or equal to the percentage of the previous coin;

(n) The machine shall pass a static test performed by the Commission or its designee using currently acceptable test criteria;

(o) Nothing herein shall limit the ability for manufacturers to implement a finite pull-tab game on a network topology where multiple player-activated terminals choose pull-tabs from a central finite pool. If such network topology has more than three active games, the manufacturer may choose to implement such finite pool as described elsewhere in this section, or have the option to play from one finite pool of tabs which may not be less than 8,000 nor more than 40,000;

(p) Any finite video pull-tab device shall not offer visual animation that simulates or displays rolling or spinning reels.

Section 3. Prior to approval for use in the state, each electronic video bingo or video finite pull-tab machine must meet the following specifications with respect to its hardware:

(a) All electrical and mechanical parts and design principles shall follow acceptable codes and standards in both design and manufacture;

(b) The machine shall be designed to ensure that the player will not be subjected to any unreasonable physical, electrical or mechanical hazard;

(c) The machine shall be designed to ensure there are no readily accessible game function-related points which would allow any input and that there is no access to

- input or output circuits unless it is necessary for the proper operation of the game;
- (d) The machine shall be equipped with a surge protector that will feed all AC electrical current to the machine and a nonvolatile memory to maintain the accuracy of all electronic meters displaying information required by these rules during power fluctuations and loss. Each machine must maintain accuracy of all electronic meters and critical game information for 180 days after the power is disconnected from the machine;
- (e) The machine shall not have any switches, jumpers, wire posts, or other means of manipulation that could affect the operation or outcome of a game. The machine may not have any functions or parameters adjustable by and through any separate video display or input codes except for the adjustment of features that are wholly cosmetic or other operational parameters as approved by the division. This is to include devices known as "knockoff switches";
- (f) Each machine shall have a lock external front door in which the interior of the machine shall not be readily accessible when such door is in the closed, locked position. In addition, each machine shall have a separate internal locked logic compartment which shall be keyed differently than the front door access lock. Each machine shall have one or more locked cash compartments; that is all areas which store either coin or currency prior to collection.
- (g) The ticket printing mechanism shall be located behind the locked front door of the machine to ensure the safekeeping of the audit copy;
- (h) Printing of all totals from the electronic meters shall occur automatically by means of a switch attached to either the door or the lock of the door each time access to either the main door or the cash area occurs;
- (i) The printing mechanism of the electronic device shall have a paper-sensing device that will prevent play if there is no longer any paper in the printer or, in the alternative, if there is insufficient paper to print a ticket voucher or an audit copy. In the case that the machine senses "paper out", it shall void the previous cash ticket and print another recovery.
- (j) The machine shall print a ticket voucher when requested by the player if there are any remaining credits on the game. The original ticket voucher and the duplicate audit copy must remain legible for five (5) years. The minimum information printed on the ticket voucher shall consist of the following:
- (1) The name of the licensed establishment;
 - (2) The serial number of the machine;
 - (3) The time of day that the ticket was printed in hours and minutes in a 24 hour format;
 - (4) The date on which the ticket was printed;
 - (5) The sequential number of the ticket voucher;
 - (6) The value of the prize.
- (k) The logic board shall have a legible, unique serial number that is stamped in permanent ink or engraved;
- (l) The face of each machine shall be clearly labeled so as to inform the public that no one under age 18 years is allowed to play;
- (m) The machine shall have a non-removable identification tag affixed by the manufacturer to the machine's exterior side. The tag information must include the following:

- (1) Manufacturer's name;
- (2) Serial number;
- (3) Model;
- (4) Date of manufacture;
- (5) Any other information required by the Commission.

Section 4. Prior to approval for use in the state, each machine must meet the following specifications with respect to its metering system:

- (a) The machine shall be equipped with four non-resettable mechanical meters housed in a readily accessible locked machine area;
- (b) The mechanical meters shall be manufactured in such a way as to prevent access to the internal parts without destroying the meter;
- (c) The mechanical meters shall be hardwired as no quick connects are allowed in the meter wiring system;
- (d) The mechanical meters shall be situated in a left to right or top to bottom configuration according to function and visibly labeled as follows:
 - (1) Coins in (including the equivalent of 4 coins per one dollar bill inserted in the bill acceptor);
 - (2) Credits played;
 - (3) Credits won;
 - (4) Credit paid.
- (e) The machine shall contain electronic metering whereby meters record and display on the video screen a minimum of the following information:
 - (1) Total coins in for mechanism 1;
 - (2) Total coins in for mechanism 2 (if applicable);
 - (3) Total coins in for the bill acceptor (if applicable);
 - (4) Combined total of coins in;
 - (5) Total credits played;
 - (6) Total credits won;
 - (7) Total credits paid.
- (f) The electronic meters shall have the capability to maintain correct totals no less than eight digits in length.
- (g) In the case a device offers the game of video finite pull-tab, the device may not be capable of displaying to the player, operator, location owner, manufacturer or distributor the number of tickets that remain in the deal or the number of winners or losers that have been drawn or still remain in the deal. The manufacturer may signal when a deal or sub-deal is close to exhaustion if regeneration of that deal or sub-deal must be affected by some outside force that is not automatic within the machine.

T. SOFTWARE INFORMATION TO BE PROVIDED TO THE COMMISSION.

A licensed operator shall provide to the Commission information necessary to ensure the machine's software is in compliance with the Charitable Bingo Law and these administrative rules. The information shall include, but not be limited to:

1. All technical manuals;
2. All schematics, printed wire assembly and hardware block diagrams;
3. All microprocessor manuals;

4. All source listings, including programmer's comments and flow charts for the game program(s) and printer routine(s);
5. Hexadecimal dump(s) for each compiled program;
6. Master EPROM's containing compiled game programs and character sets, including those that may reside on the printer interface board;
7. Access to a compiler for the programming language used if the division's selected lab is unable to compile the program with the equipment it has available;
8. A written description of the random number generator algorithm;
9. Schedule of proposed payouts, percentages and odds determinations;
10. A complete copy of the programmer's memory map;
11. A description of the methods of all testing criteria, if performed, and the results of the tests of the following:
 - a. Random number generator
 - b. Electromechanical interference
 - c. Radio frequency interference
 - d. FCC standards
 - e. AC line noise
 - f. Static electricity
 - g. Extreme temperature conditions
12. Truth tables for all PALS used; and
13. An operator's manual for each peripheral device utilized.

U. MACHINE TESTING.

- Section 1. The Commission may not permit a particular make or model machine until tests prescribed by the Commission confirm the machine complies with all specifications required by the Act and by the rules of the Commission.
- Section 2. The licensee shall furnish at its expense a prototype of the machine for which a permit is sought to a laboratory selected by the Commission for testing.
- Section 3. Any and all modifications made to an approved machine must be submitted to the Commission for approval in advance.
- Section 4. The Commission may require an approved machine to be retested at a laboratory selected by the Commission if a modification has been made since the original test.
- Section 5. The licensee shall pay to the Commission all costs associated with the machine testing, and shall be responsible for any purchase, shipping, or handling charges prior to the machine being permitted by the Commission.
- Section 6. The testing laboratory shall use established uniform testing criteria on each machine tested. Testing includes inspection of the hardware, software, and all information provided to the Commission or the testing laboratory to assure a machine meets all requirements of the Charitable Bingo Law and the rules of the Commission.

V. APPROVAL OF MACHINES.

Section 1. The Commission may conditionally approve and maintain a list of specific models of machines based on its finding that the machines conform to the specifications provided in the rules of the Commission.

1. Final approval of each machine is required for a permit stamp even if a machine has been conditionally approved;

2. Conditional or final approval may be withdrawn by the Commission upon finding that a machine does not conform to specifications and testing standards provided in the rules of the Commission.

Section 2. Machines which fail to conform with the specifications provided in the rules of the Commission may be conditionally approved and permitted provided that:

1. The manufacturer, distributor or owner provides an itemization of the nonconforming criteria and the machine complies with all other technical specifications provided in the rules of the Commission;

2. The manufacturer, distributor or owner provides a written plan specifying the time period required for modifications to conform to the specifications;

3. The itemization and plan submitted by the manufacturer, distributor or owner is accepted in writing by the Commission.

W. MACHINE REPAIR.

Section 1. After the Commission approves the software and logic board of a machine, it will use the prescribed security seal process to guard against any unauthorized tampering or changes.

Section 2. The Commission may require and provide an identification sticker to be attached to the logic board and the mechanical meters to verify the parts are assigned to a specific permitted machine.

Section 3. No security seal shall be broken except when authorized by the Commission and only in the presence of Commission personnel.

Section 4. Any repair or replacement of a machine's mechanical meter or logic board which requires the breaking of the security seal shall be reported to the Commission. An agent must be present before the seal is broken. The Commission will have a representative present during the breaking of the security seal. At that time, readings of the machine's electronic and mechanical meters must be recorded by an agent of the Commission and the initial readings of the electronic and mechanical meters shall be recorded by an agent of the Commission before the machine is again placed in operation.

Section 5. Agents of the Commission may be given access to the machine to reseal the meters and verify their proper operation before the machine can be placed in operation.

Section 6. To assure the integrity, security, and monitoring of machines in service, a permitted machine or any portion thereof may not be substituted or replaced until the replacement machine has been approved/permitted by the Commission.

X. INSPECTION AND SEIZURE OF MACHINES.

Section 1. The Commission or its duly authorized representative has the right at all times to make an examination of any machine authorized by the Charitable Bingo Act. Such right of inspection includes immediate access to all machines and unlimited inspection of all machine parts.

Section 2. The Commission or its duly authorized representative shall be entitled to observe the removal and verify the counting of all monies contained in a machine. The Commission or its duly authorized representative may remove and physically count the monies contained in a machine after giving the machine owner or their employee, agent, or representative the opportunity to be present during the process.

Section 3. If a machine is constructed so that the four mechanical meters required by these rules cannot be easily viewed and accurately read externally from the front of the machine, the key to the locked area housing the meters must be immediately available on the premises and provided to commission personnel upon request.

Section 4. The Commission or its authorized representative may immediately cease the operation and use of any machine or device which is in violation of law, regulation or rule or deemed in the best interest of the public. Subsequently the commission or its authorized representative may seize and remove any machine or device which is in violation of law or any rule of the Commission with the appropriate court order.

Section 5. The Commission may remove a machine or parts from a machine for laboratory testing and analysis. When parts are removed, the Commission may seal any machine left on the premises pending the Commission's investigation. The breaking of, or the removal of the Commission's seal by anyone without approval may subject the licensee to seizure of the entire machine or machines in addition to other penalties provided for in these rules.

Y. CHARITABLE BINGO ORGANIZATION.

Section 1. A bingo game may be conducted in this state only for the benefit of a charitable organization that has been licensed pursuant to statutes, rules and regulations governing the bingo activity. Any license issued pursuant to these rules will be in effect up to three years.

[AUTHORITY: Sections 97-33-57(3), 97-33-52(1a), 97-33-69(3).]

Section 2. Any charitable organization desiring to conduct bingo games must obtain a license to do so from the Commission. An applicant for a license must file an application on a form prescribed by the Commission for such purpose. The application fee, as prescribed by statute, must accompany the application. The charitable applicant shall further provide copies of the previous three years federal and state tax returns with the application.

[AUTHORITY: Section 97-33-55(4).]

Section 3. The fees must be paid by a check drawn on the organization's separate bingo checking account.

Section 4. A religious organization may be refunded the application fee if, after investigation by the Commission, it is determined that such religious organization is exempt from the application fee. No other application fees shall be refunded for any reason, including the refusal of the Commission to issue a license.

[AUTHORITY: Sections 97-33-55(4), 97-33-107(c).]

Section 5. In addition, any charitable organization which offers electronic pull-tabs is subject to a license fee equal to 2 ½ % of the net proceeds of electronic pull-tabs. This license fee shall be paid to the Commission monthly on forms prescribed by the Commission.

[AUTHORITY: Section 97-33-107(b).]

Section 6. The charitable bingo licensee is also required to remit fees based on gross proceeds of each bingo session as required by statute and regulation, unless the licensee meets the requirements to be an excepted religious organization.

[AUTHORITY: Section 97-33-107(c).]

Section 7. It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

Section 8. The charitable organization may conduct no more than two (2) five (5) hour bingo sessions within one day or more than eight (8) sessions in one (1) week. A licensee who holds only one (1) session per week may conduct a six (6) hour session.

Z. MANUFACTURER AND DISTRIBUTOR.

No person or other entity shall fabricate, concoct or manufacture any supplies or equipment for use in the conducting of any bingo game within this state without having obtained a

manufacturer's license from the Commission.

No person or other entity shall sell, offer to sell, or otherwise furnish any bingo supplies or equipment without having obtained a manufacturers, distributors or operators license from the Commission. All such licensees shall report to the commission no less than monthly, on forms prescribed by the commission.

Any license issued pursuant to these rules will be in effect up to one (1) year.

[AUTHORITY: Section 97-33-79.]

Section 1. Any organization seeking a license as a manufacturer or as a distributor of bingo gaming supplies or equipment shall submit an application(s) to the Gaming Commission on the forms provided for such purpose. A distributor is also authorized to enter into agreements with charitable organizations under which the distributor supplies electronic dauber, electronic video bingo or electronic pull-tab machines to a charitable organization. Any such organizations shall further provide copies of the previous three years federal and state tax returns with the application.

[AUTHORITY: Section 97-33-201(1a).]

Section 2. Payment must be made by money order, certified check, or cashier's check on a new application. No personal checks of any person or other entity will be acceptable.

Section 3. All application fees are non-refundable.

Section 4. A manufacturer, distributor, or agents or employees, may not take part in the holding, operation or conducting of any bingo game.

Section 5. A distributor shall also be authorized to enter into service and/or maintenance agreements with charitable organizations who have purchased their own electronic PULL-TAB devices. All such agreements must be submitted to the Commission for approval prior to execution. The rate to be charged shall not exceed the reasonable market rate for such services.

[AUTHORITY: Section 97-33-69(5).]

AA. COMMERCIAL LESSOR.

Section 1. a. No more than two (2) sessions may be conducted within one (1) day or more than eight (8) sessions in one (1) week on the premises of the commercial lessor. A licensee who holds only one (1) session per week may conduct a six (6) hour session. If the rental rate submitted for the premises is found by the commission to be in excess of the reasonable market rental rate, then the same premises may not be submitted for a reasonable determination for a period of two years.

b. The commercial lessor is prohibited from requiring or receiving any payment,

cost or fee from the charitable bingo licensee other than the rental amount provided for by the rental agreement. The commercial lessor may not receive any percentage from the gross receipts or profits from any bingo operation, nor charge any type of admission fee to the participants.

c. The commercial lessor is prohibited from entering into any agreement with a distributor or operator of bingo supplies and equipment for the use, purchase, promotion or sale of such supplies and equipment.

[AUTHORITY: Section 97-33-203.]

[AUTHORITY: Section 97-33-201(a).]

Section 2. A commercial lessor is prohibited from having a direct or indirect interest of any kind or nature with:

- a. A manufacturer, distributor or operator licensee.
- b. Charitable bingo organizations, other than the rental agreement. This would include membership in such organization.

An officer, director or manager of a charitable bingo licensee may not serve as an officer, director, shareholder, proprietor or employee of a commercial lessor.

[AUTHORITY: Section 97-33-81.]

Section 3. Commercial lessors, their agents or employees, shall not take part in the holding, operation or conducting of a bingo game.

[AUTHORITY: Section 97-33-69(5).]

Section 4. The lease providing for a rental arrangement may not be in excess of the reasonable market rental rate for such premises, and in no case shall any lease payment be based on a percentage of gross receipts or profits from a bingo game.

[AUTHORITY: Section 97-33-69(9).]

Section 5. It is the obligation of both the lessor and the charitable organization to ensure that the facilities satisfy all local, state and federal safety and health standards. Failure to maintain the required standards can result in the suspension or revocation of their license.

Section 6. Commercial lessors shall be subject to background investigations to ensure an arms-length relationship with the leasee. Both the commercial lessor and the executive director of the charity shall sign an affidavit provided by the commission attesting to the fact that neither has any other form of business relationship with the other, nor is

there any blood, marriage or personal relationship. They will also swear or affirm that neither has received, offered or accepted any additional compensation, reward, or recompense. No person in any way connected with the charity or any family member of any person connected with the charity may benefit or profit in any way from the leasing or selling of a building to the charity.

BB. OPERATORS and DISTRIBUTORS.

- Section 1. Any person desiring to rent, lease, repair and/or service electronic video bingo or pull-tab machines to a licensed charity for use in this state shall:
- (a) Comply with and meet all criteria as set forth in the Charitable Bingo Law and the rules adopted thereunder;
 - (b) Be issued and maintain all applicable federal, state, and local licenses;
 - (c) Apply for either an operator's license or a distributor's license on forms prescribed by the Commission and submit with the application an application fee as prescribed in section "b" and the appropriate monthly rate for any part of the month such machine is placed in service.
 - (d) Operators must purchase all machines from a licensed distributor.
 - (e) Distributors must purchase all machines from a licensed manufacturer.
- Section 2. Operators and distributors must apply for license renewal on forms prescribed by the Commission no less than ninety days prior to the expiration of the license and submit with the renewal the application fee.
- Section 3. Operators and distributors shall notify the Commission in writing of the shipment of any of their machines into, or within, the state of Mississippi no less than 5 days prior to the date of delivery. This notification must include:
- (a) Make, model numbers, individual serial numbers and the number of machines to be sold or leased and shipped;
 - (b) Intended date of shipment, destination, date of shipment, and bill of lading; and
 - (c) An affidavit stating any differences, however slight, between the incoming machines and the prototype previously approved by the Commission.
- Section 4. A license may be suspended or revoked by the Commission upon the Commission's determination that the licensee has not complied with the conditions of licensing or has failed to submit a requested report.
- Section 5. The Commission may deny, restrict, suspend, limit, or revoke a license as an operator or distributor of electronic video bingo or pull-tab machines when it is ascertained that an applicant has solicited electronic video bingo or pull-tab business prior to being licensed by the Commission.
- Section 6. Each operator and distributor must file a report on forms prescribed by the Commission no later than the 15th of each month and pay the per machine fee for

each machine in service for any part of a month.

The report must itemize each machine by its physical location and the charitable organization who is leasing such machine.

Section 7. All application fees are non-refundable.

Section 8. Operators and distributors are authorized to enter into service and maintenance agreements with charitable organizations who have purchased their own electronic PULL-TAB devices. All such agreements must be submitted to the Commission for approval. The rate to be charged shall not exceed the reasonable market rate for such services as determined by the commission.

Section 9. All rental agreements between the distributor or operator and/or the charitable organization must be submitted to the Commission for approval prior to its execution.

Section 10. Any such applicant shall further provide copies of the previous three years federal and state tax returns with the application.

CC. PERMITTING PROCESS.

Section 1. Authorization to use or furnish electronic video bingo or pull-tab machines shall only be granted to:

- (a) A licensed charitable organization for its own machines; or
- (b) A licensed operator who leases, rents or otherwise furnishes such machines to a licensed charitable organization; or
- (c) A licensed manufacturer who leases, rents, sells or otherwise furnishes to a licensed distributor and;
- (d) A licensed distributor who sells to a licensed operator or charity.
- (e) A licensed distributor who enters into agreements with charitable organizations under which the distributor supplies electronic video bingo or electronic pull-tab devices to a charitable organization with the distributor's compensation being based on the amount of play on the machine.

Section 2. An approved operator or distributor before placing any machines on location under lease must submit to the Commission an application for a permit stamp for each machine intended for use. The application must include:

- (a) Make, model, serial number and quantity of machines intended for use;
- (b) Name of each participating charitable organization;
- (c) Copy of lease or rental agreement between the charitable organizations and the operator or distributor;
- (d) Location and address where specified electronic video bingo or pull-tab machines are to be used and owner information. A separate application must be completed for each machine.

- Section 3. Upon approval of an application for placing machines at a given location, a representative of the Commission may inspect, test, and approve each machine. The Commission representative will affix a permit stamp, logic board seal and hard meter seal to each machine, whereupon they may be transported to an approved location. Upon arrival each machine will be inspected by an agent of the commission prior to the device's placement into operation.
- Section 4. Permit stamps must be affixed to the exterior machine cabinet so the stamp is visible and easily read. The machine may not be positioned or located in any way which would obscure a person's ability to see and read the permit stamp.
- Section 5. No machine shall be placed in service prior to the Commission's issuance and affixing of a permit stamp, logic board seal and hard meter seal.
- Section 6. A charitable organization that purchases a machine must follow the same procedures outlined for a distributor or operator prior to placing said machine in use.

DD. PERMIT STAMP, MACHINE LOCATION.

- Section 1. A permit stamp for a machine is only valid for the licensee and the premises identified on the approved permit application.
- Section 2. A permit stamp is further restricted to the particular machine approved by the Commission and identified on the permit application.
- Section 3. A permit stamp is not the personal property of the licensee and may be removed by the Commission at any time.
- Section 4. No machine shall be moved from the location specified in the permit application for use at another location until a new application is approved and the transfer is authorized in writing by the Commission.
- Section 5. No machine shall be moved from the location specified in the permit application without prior authorization from the Commission.

EE. EXPIRATION OF LICENSE/REISSUANCE.

- Section 1. All electronic video bingo and pull-tab device permit stamps and operators licenses issued pursuant to these rules expire not more than one year from the date of issuance.
- Section 2. All fees must be paid and a new permit stamp issued, before a previously permitted machine may be operated in this state.
- Section 3. The Commission will consider the same criteria for renewal of permit stamps as for the original issuance of permit stamps. Failure to satisfy permit criteria contained herein may result in denial or removal of a permit stamp, or license revocation.

FF. COMPENSATION OF WORKERS OF CHARITABLE ORGANIZATIONS.

- Section 1. An organization may pay eligible workers only for services actually rendered in assisting in the holding, operating or conducting of a licensed charitable bingo game. Payment shall not exceed Four Hundred Dollars (\$400.00) per session to all persons compensated.
- Section 2. Contact persons, Supervisors and alternate supervisors are forbidden to enter into any agreements with a manufacturer, distributor, operator or commercial lessor except on behalf of the charitable bingo licensee as authorized by the licensee by written contract.
- The contact person, supervisor, alternate supervisor and anyone assisting in the holding, operating, or conducting of a licensed bingo game must apply to the Commission for a finding of suitability to operate bingo for a charitable organization. Any person found unsuitable may also be deemed unsuitable by the commission to work in any capacity in the bingo hall.
- Section 3. A corporation, person or entity operating bingo or assisting in the holding, operating or conducting of a licensed bingo game, as provided in section 2, for the benefit of a licensed charitable organization shall be restricted to operating such games for a limit of one (1) such organization authorized to pay employees up to a maximum of Four Hundred Dollars (\$400.00) per session. Such corporation, person or entity shall only be authorized to conduct such sessions at one (1) physical location or building.
- Section 4. Any corporation, person, or entity operating bingo games under contract, as previously described, shall have a written contract with the charitable organization and shall be subject to any rules and regulations promulgated by the Commission.

GG. LICENSES NOT TRANSFERABLE.

No license issued by the Commission pursuant to the Charitable Bingo Law is transferable by name nor location. Any license issued under this Act is a privilege and not personal property, and must be surrendered to the Commission upon request.

HH. APPLICANT SUITABILITY AND BUSINESS RELATIONSHIPS.

- Section 1. The Commission may deny an application or revoke, suspend, restrict, or limit a license when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the Commission may consider the person or business entity's:
- a. General character, including honesty and integrity;
 - b. Financial security and stability, competency, and business experience in the

capacity of the relationship;

- c. Record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violations;
- d. Refusal to provide records, information, equipment, or access to premises to any member of the Commission or any peace officers when such access is reasonably necessary to insure or protect public health, safety or welfare;
- e. Association or relationship to a license manufacturer, distributor, operator, charitable organization or commercial lessor.

Section 2. The Commission may not issue a license to any charitable organization whose members of the board of directors is comprised of:

- a. Any person who has been convicted of a felony in any state or country.
- b. Any person who has ever been convicted of a gambling-related offense in any state or federal court.
- c. Any person who has been convicted of a misdemeanor offense of any theft or related offense, or convicted of issuing worthless checks, illegal possession of stolen goods, or false swearing or related offense.
- d. Any person who is or has ever been a professional gambler.
- e. Any organization whose board membership is essentially the same as another.

Section 3. Any firm, organization or corporation in which any person as described in paragraphs (a) through (d) is an officer or director, whether compensated or not, or in which such person has a direct or indirect financial interest.

II. SUSPENSION AND REVOCATION OF LICENSE HOLDERS.

The Commission may suspend any license held by a licensee after opportunity for hearing when:

- a. The Commission receives:
 - 1. A certified copy (or other credible evidence of any judgment or conviction of any licensees, their agents, servants or employees for any violation of any criminal law or ordinance of the United States, the State of Mississippi or any Mississippi city or town relating to charitable bingo; or
 - 2. A certified copy of the record (or other credible evidence) of the forfeiture by any licensee, their agent or employee of bond to appear to answer charges of violating any law, or ordinance relating to charitable bingo; or
- g. The Commission, after investigation has reasonable cause to believe that any license holder, their agents or employees have violated provisions of the Charitable Bingo Law or these regulations; or
- c. A licensee circulates, distributes, or communicates in any manner false or misleading advertising.

JJ. PENALTIES.

- Section 1. The Commission has authority to establish and assess penalties and fines for violations of the charitable bingo laws, rules and regulations.
- Section 2. Any charitable organization who fails to remit a percentage of its gross proceeds of each bingo session, as required by statute and regulation, shall be liable for the amount of the unpaid fees plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized twenty dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days a recommendation for revocation may be made.
- Section 3. Any other licensee who fails to timely submit any fee established by the Charitable Bingo Law or the rules promulgated thereunder shall be liable for the amount of the unpaid fee plus a penalty of twenty-five percent (25%) of the total additional fee due. Further, they will be penalized twenty dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days a recommendation for revocation may be made.
- Section 4. All licensees shall be subject to suspension or revocation of their license for any violations of the rules and regulations concerning the reporting of bingo revenue and expenses. Any licensee who files a late report will be penalized twenty dollars (\$20.00) a day for each day that the report is late up to fifteen (15) days. After fifteen (15) days a recommendation for revocation may be made.
- Section 5. Failure of an organization to establish and maintain an adequate internal control accounting system, and all records required by statute or regulation, will subject that organization to suspension or revocation of its license.

[AUTHORITY: Sections 97-33-65, 97-33-75, 97-33-107(g).]

- Section 6. All licensees shall be strictly prohibited from circulating, distributing or communicating in any manner false or misleading advertising. Violations of this section will result in the suspension or revocation of the license.

KK. RIGHTS OF LICENSEE TO REQUEST A HEARING.

- Section 1. Any corporation, person, organization or entity holding a license under the charitable bingo law, who is aggrieved by any order, decision or other act of the Commission with respect to that license may petition the Commission, in writing, for a hearing thereon. Such petition must be filed with the commission no later than ten (10) days after receiving notice of the commission's action. The Commission may set a time and place for the hearing, and shall notify the petitioner of the time and place fixed for the hearing. after the hearing, the commission may make such order in the matter as may deem just and lawful and shall furnish a copy of the order to the affected licensee.
- Section 2. The commission, at its option, may assign a hearing examiner to hear any matter for which a petition for a hearing has been made. The hearing examiner shall take the

evidence and render a recommended decision to the commission. The record made before the hearing examiner, as well as the recommended decision, shall be forwarded to the commission for a final decision. No new evidence shall be presented to the commission. Any licensee aggrieved by the decision of the hearing examiner may, no later than fifteen (15) days after the announcement of the decision, apply in writing to the commission for review of the decision. The commission may either grant or deny the application for review. If granted, review is limited to the record of proceedings before the hearing examiner. The commission may sustain, modify, or reverse the hearing examiner's decision. The hearing examiner's decision becomes the final decision of the commission unless reversed by the Commission.

No license issued under the charitable bingo law shall be suspended or revoked, nor any fine assessed against a licensee, until after a hearing is held on due notice.

Any licensed corporation, person, organization or entity aggrieved by the final decision of the Commission may obtain a judicial review thereof in the circuit court of the county in which the bingo games are conducted. The judicial review must be instituted by filing a petition within ten (10) days after the decision is rendered.

- Section 3. In any hearing before the Commission, or the hearing examiner, the burden of proof shall be on the licensee to show compliance with the Charitable Bingo Act and the regulations promulgated thereunder.

LL. MINIMUM STANDARDS FOR ELECTRONIC BINGO DAUBERS.

Section 1. Operation of Devices

(a) No Electronic Bingo Daubing System or any part thereof may be sold, leased, or otherwise furnished to any person in this state or used in the conduct of bingo for public play unless and until a representative sample has first been furnished to the Commission by its manufacturer, at the manufacturer's expense, and has been approved by the Commission for use within the state. The Commission may require up to two representative prototypes for purposes of evaluation. In the process of evaluation and testing the system or any of its components, electronic components may be destroyed or rendered inoperable. All cost of evaluation will be borne by the manufacturer/distributor. Once an electronic daubing system or any part thereof has been approved, the Commission may keep the system and any of its components for further testing, evaluation, and investigative support for as long as the Commission deems necessary. Any significant modification to any part of the system must be approved by the Commission prior to its distribution or installation. Electronic dauber systems in use at the time of adoption of electronic dauber regulations, will be allowed to continue in use during the testing and evaluation system. Sufficient reasonable time will be allowed for any modification which may subsequently be required.

(b) The Commission may examine and inspect any portion of the system or any individual dauber at any time. Such examination and inspection includes immediate access to the daubing device and unlimited inspection of all parts of the daubing device or related systems.

- (c) If the Commission detects or discovers any problem with an electronic dauber or its associated system that affects the security and/or integrity of the bingo game or the system, the Commission may direct the manufacturer, distributor, operator or licensee to cease the sale, lease, or use of the device or system, as applicable. The Commission may require the manufacturer to correct the problem or recall the device or system immediately upon notification by the Commission to the manufacturer. If the manufacturer, distributor, operator, or licensee detects or discovers any defect, malfunction, or problem with any component of the system, the manufacturer, distributor, operator, or licensee as applicable, shall immediately remove the component from use or play and immediately notify the Commission of such action.
- (d) Each manufacturer selling electronic daubers and their associated system must maintain a log showing the date, model, serial number, and to whom they were sold. This information will be made a part of any monthly reporting requirements to the Commission.
- (e) Each distributor or operator must maintain a log containing the date, model number and serial number, in addition to the name and address of the manufacturer or distributor from whom the components were purchased. This distributor or operator must also log the name and address of any licensee to which the components are sold, leased, or otherwise furnished.
- (f) Each licensee purchasing, leasing, or otherwise utilizing an electronic daubing system must maintain a record showing the date, model number and serial number. Additionally, all records, reports and receipts relating to an electronic dauber or its associated system's sales, maintenance, and repairs must be retained by the licensee on the premises where the licensee is licensed to conduct bingo or at a location designated in writing by the licensee for a period of five years for examination by the Commission. Any proposed change in the designated location must be submitted to the Commission in writing at least ten days prior to the change.
- (g) No licensee may display, use or otherwise furnish an electronic daubing device having been marked, defaced, tampered with, or altered in any manner which may deceive the public or affect a participant's chances of winning.
- (h) No licensee shall require a participant to use an electronic dauber in playing bingo. No licensee shall furnish or reserve more than one electronic dauber unit per patron.
- (i) The system may utilize an automatic mark feature that if turned on, will mark the participants cards automatically or the participant may input each number or symbol called by the licensee into memory of the dauber unit by use of a separate input function for each number or symbol. The system must allow for the cancellation or correction of numbers entered in error.
- (j) When a winning pattern or "bingo" occurs the participant must notify the licensee by means that do not utilize the dauber unit or the associated system.
- (k) The device must recognize and display all bingos achieved. Additionally the participant must present a receipt showing purchase of the card. The licensee must verify, that the numbers called for the present game constitute a win for the particular card, and that the date of the receipt is current.
- (l) The participant must be physically present on the premises where the game is actually conducted and when the game is called.
- (m) Licensees shall not reserve electronic dauber units for any participant except

as allowed in Section 1 (n) below:

- (n) Licensees that offer electronic dauber units shall have at least two (2) devices for participants with disabilities that would restrict their ability to mark cards where such disabilities are consistent with the definitions set forth in the Americans with Disabilities Act (ADA). If there are no requests for the reserved devices prior to fifteen (15) minutes before the scheduled start of a session, the devices may be made available for use by any player.
- (o) If licensees charge a fee for use of the electronic dauber unit, such fees must be a flat fee and shall not be based on the number or dollar value of cards purchased. Individuals with disabilities consistent with the definitions set forth in the Americans with Disabilities Act (ADA), when such disabilities would restrict their ability to mark cards, shall not be required to pay a rental fee or comply with the minimum purchase requirements imposed on all other participants utilizing electronic dauber units.
- (p) The system itself shall not be capable of dispensing currency by any means or any other form of automatic *payout* (i.e. ticket voucher etc.). Any prize to be awarded a participant will require the same level of documentation as set forth in VII Bingo., J., Section 5.
- (q) Prizes awarded from wins with the electronic representations of the dauber unit are to be included in the prize limitations set forth by VII Bingo, L., Sections 3 and 4.
- (r) Participant-owned or participant-leased devices are not considered to be “Electronic Bingo Daubers” for the purposes of these regulations and the use of such devices is strictly prohibited.

Section 2. Minimum Receipt Standards

- (a) Each participant is to be issued a receipt at the time of payment for the amount paid to participate in each game or set of games. The receipt must be imprinted with the following information.
 - (1) Name of the organization.
 - (2) Session number
 - (3) Time and date of purchase. The circuitry and programs that maintain and control the time and date must be of the type that can only be reset by service personnel and must retain the last transaction number issued, even throughout adverse conditions or power interruptions.
 - (4) Amount paid for the opportunity to play each game or game pack.
 - (5) Total amount paid.
 - (6) Receipts are to contain a control number with numbers comprised of at least six (6) digits. The circuitry and program that maintain and control this numbering scheme must be of the type that can only be reset by service personnel and must retain the last number issued, even throughout adverse conditions or power interruptions.
- (b) Voided transaction’s must have the sales receipt, signed by the patron and the cashier, attached and are to be retained by the cashier until the session is complete and then attached to the bingo session report.
- (c) The system must produce a summary report, on a hard copy transaction log,

after each session which details the following information:

1. Organization.
2. Date and time of report.
3. Number of cards loaded.
4. Number and description of packets sold.
5. Voided transactions.
6. Total sales.

(d) Electronic credit will not be allowed. The sale of electronic representations of a specified number of cards shall be made directly by the cashier. Purchase from other personnel is strictly prohibited.

(e) The price for a card face played through an electronic dauber shall be the same as the price of that of a disposable card face or bingo hard card, sold separately or in combination in that session.

Section 3. Minimum Electronic Dauber Standards:

(a) The device shall be designed to ensure that the participant will not be subjected to any unreasonable physical, electrical or mechanical hazard.

(b) Each device shall be identified with a unit identification number.

(c) The device must allow the cancellation or correction of numbers entered in error.

(d) Notification to the licensee by a participant having a winning pattern or “bingo” must be made by means which do not utilize the dauber unit or the associated system.

(e) Electronically stored cards must reside in a non-volatile read only storage medium. Currently acceptable means for storage of electronic cards are:

- (1) EPROM - Erasable Programmable Read Only Memory
- (2) CDROM - Compact Disc Read Only Memory
- (3) HDD - hard disc drive.

Electronically stored card sets shall not be subject to change without the prior approval of the Commission. In addition, the card sets shall be accessible to the Commission through on-site inspection and by remote access through software programs provided by the manufacturer.

(f) Upon interruption of power to the daubing device, the device must be capable of resuming the present game with no loss of data upon the restoration of power.

(g) The daubing unit shall be designed to ensure there are no readily accessible game-function related points which would allow any input and that there is no access to input or output circuits unless it is necessary for the proper operation of the game.

Section 4. Minimum System Requirements:

(a) Access to the electronic computer system or any of its components shall be restricted to the manufacturer and Commission personnel.

(b) Modification of the program which operates and controls the dauber units, or

the cards stored in the electronic database requires Commission approval prior to the distribution or installation of such.

(c) The representation of each card will be displayed with a legible, distinct, unique card control number of no less than four digits. This number that corresponds to a particular arrangement of numbers on the card-face cannot be used more than once for any game.

(d) Upon the win of a participant, the system must be capable of printing a hard copy of the winning card including the card control number of the card-face. This information is to supplement the prize report information required by Bingo Regulation VII, J., Section 5.

(e) The distribution of the numbers displayed on the card-sets will be required to be a randomly chosen distribution. Biased groups of cards will be strictly prohibited. An even distribution of numbers throughout all cards in the manufacturer's library will be required.

(f) Upon interruption of power to the system, the system must be capable of retaining its previous state with no loss or corruption of data upon the restoration of power. An Un-interruptible Power Supply (UPS) is recommended for system implementation but will not be considered a primary safeguard to the loss or corruption of data for testing purposes.

(g) The unit number, date and time must register on the master unit when the patron logs on to the system with their input code.